

## Message

**From:** Rodney Sunada-Wong [rodney.sunada-wong@celsius.network]  
**on behalf of** Rodney Sunada-Wong <rodney.sunada-wong@celsius.network> [rodney.sunada-wong@celsius.network]  
**Sent:** 1/29/2022 4:45:11 PM  
**To:** Adrian Alisie [adrian.alisie@celsius.network]  
**CC:** Aslihan Denizkurdu [aslihan.denizkurdu@celsius.network]; Julie Secor [julie.secor@celsius.network]  
**Subject:** Re: NIM & Trade Execution Analysis

Actually, I will reply to both emails. This reply will be about organizational challenges. The other reply will be about specific steps risk we collectively can take in doing the analysis.

Big picture: *Several people are at the “end of their rope”.* We are in a *very* fragile state organizationally

To even attempt to make things better, we have to solve a chicken and egg problem.

- Frank perceives this effort as putting the cart before the horse (i.e. clarify the CIO's mandate first).
- Alex may not be receptive at all to delegating authority until he feels we have diagnosed what has gone wrong and he sees evidence issues are fixed.

(There is opinion that even if we succeed in getting Alex to delegate authority, that he will revert the next time there are losses.)

Also, it's unclear Alex will be receptive to some key points, including:

- the current process of making decisions must be changed to something
  - \* more deliberate and documented,
  - \* distributed not centralized, and
  - \* mechanical, not seat of the pants
- although Alex's mantra is that the firm is not to do proprietary trading
  - \* what Alex has instructed the team to do the past 8 days and
  - \* his continued requests for “trading around the hedges”
 are proprietary trading.

On Sat, Jan 29, 2022 at 10:48 AM Rodney Sunada-Wong <rodney.sunada-wong@celsius.network> wrote:  
 Hi. I'll reply to the other email “CeFi performance “ as it also contains the p&l tables.

On Sat, Jan 29, 2022 at 10:37 AM Adrian Alisie <adrian.alisie@celsius.network> wrote:  
 Hello,

As mentioned in my previous email, I had a discussion with Alex yesterday and he asked Aslihan, Rodney, and I to come together and perform an analysis and come back with recommendations for the Trade Execution processes that related to the losses we had for the last few weeks as well as the negative NIM we've experienced for the past 4 months or so. In my opinion, trade execution review should be led by the 3rd line as it includes 1st line (trading desk) and 2nd line (Risk) components and the NIM analysis should be a joint effort.

Please let me know your thoughts on these points.

Regards,  
Adrian

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